





Mission Statement

To provide the best quality of water to the citizens of San Diego in a professional, effective, efficient, and sensitive manner in all aspects of operation so that the public health, environment, and quality of life are enhanced.

Department Description

San Diego boasts one of the largest and most complex water storage, treatment and delivery systems in the world. The water system extends over 404 square miles serving more than 1.2 million residents with an average of 206 million gallons of water per day (MGD). Water is transported through approximately 3,157 miles of pipeline and nearly 267,000 metered service connections. The City has nine reservoirs with a total capacity of 415,936 acre feet (AF - one AF equals 325,900 gallons) and three water treatment plants with a total capacity of nearly 300 MGD.

Since San Diego is considered a semi-arid region, which lacks water as a natural resource, approximately 90 percent of the water used by residents is imported. One of the Water Department's primary responsibilities is to secure imported water supplies for the residents of San Diego while continuing to research alternative water supplies such as recycled water, groundwater, desalinization, etc. In addition to supplying water, the Department also performs a variety of functions and provides a number of services including water system repair and maintenance, lake recreation activities and water conservation education.

While the responsibilities of the City of San Diego Water Department have grown since it was established in 1901, its goal remains the same: to provide a safe and reliable water supply to the San Diego community.

Budget Dollars at Work

76,784 Million gallons in water deliveries (raw and filtered)

75,167 Million gallons in City water consumption (including South Bay area)

3,157 Miles of water mains

266,627 Meters

3 Treatment plants

23,844 Fire hydrants

9 Impounding dams and reservoirs

275,000 Customer service calls answered

Service Efforts and Accomplishments

The Water Department has an unblemished record of water quality. To continue this high quality of service, the Water Department embarked on new projects, including rehabilitating and building new water facilities, exploring new water conservation incentives, and reducing energy consumption.

Alvarado Water Treatment Plant

The Alvarado Water Treatment Plant provides drinking water to more than 500,000 residents. Construction on the plant expansion and upgrade project includes new filters and sedimentation basins, upgrading pump stations, remodeling the operations building, replacing the existing Earl Thomas Reservoir, rehabilitating existing filters, constructing ozone disinfectant facilities and installing new security. The project is expected to be completed in late 2008 at a cost of \$184 million.

Black Mountain Road Pipelines Project

The Black Mountain Road Pipelines Project, a design-build innovation, began construction in April 2002. The \$20 million project consists of a five-mile drinking water pipeline and nearly four miles of reclaimed water pipeline. The new pipelines will be installed concurrently to minimize construction impacts to nearby communities. By utilizing the design-build method, the City will save money and time in building this project. Concurrent pipeline installation reduces construction time and traffic congestion.

Miramar Water Treatment Plant

The project consists of two efforts: the Miramar Water Distribution System Improvements Project, and the Miramar Water Treatment Plant Upgrade and Expansion Project. The first effort includes the rehabilitation of the Miramar Lake Pump Station and installing large diameter water treatment facilities in the immediate area surrounding the Miramar Water Treatment Plant. Construction is expected to be

Water

Service Efforts and Accomplishments (continued)

completed by 2004. The second effort includes upgrading a rapid mix facility, a disinfection facility, sedimentation basins and filters. Construction is expected to be complete by 2008. The total project cost for the Miramar Water Treatment Plant Upgrade and Expansion Project is estimated at \$135 million.

Catalina Water Pump Station

The Catalina Water Pump Station is located in the community of Point Loma. The new pump station will contain four energy-efficient pumps and motors, state of the art electrical and telemetry equipment, and will feature construction of an architecturally enhanced building consistent with the aesthetics of the surrounding community. Construction on the Catalina Pump Station is scheduled for completion in Spring 2004 at a cost of \$5 million.

Aqua 2000 Project

Aqua 2000 tests new wastewater and water treatment technologies. Aqua 2000 has developed partnerships with membrane system manufacturers and the State Department of Health Services to test and certify water treatment systems. The City is operating a revenue-generating, independent testing operation. With grant funds from the U.S. Environmental Protection Agency, California Department of Water Resources, California Energy Commission, and the U.S. Bureau of Reclamation, Aqua 2000 conducts pilot scale studies to evaluate more cost effective ways to treat available water sources. The Water Department must select treatment technologies for its water treatment plants to meet new, more stringent, surface water treatment regulations. Pilot testing can provide information with which to choose technology. Attracting paying manufacturers to this effort gives the City access to key information at no net cost.

Recycled Water

Almost 90 percent of San Diego's potable water is imported. Because of this, the Water Department is continually looking at ways to conserve water. The use of recycled water has become an important part of conservation. The City Council approved lower recycled water rates to help marketing efforts to

customers. Although the Water Department is relatively new to the recycled water field, it has established more connections than any other agency in the County due to marketing efforts.

Future Outlook

The overall goal of the Water Department is to create and provide a safe and reliable water treatment and distribution system at the lowest possible cost. In an effort to meet the Mayor's 10 Goals, the Department is working to make neighborhoods we can be proud of and keep San Diego a City Worthy of our Affection through infrastructure projects.

San Diego's population is expected to grow to over 1.9 million residents by 2030, resulting in a 20 - 40 percent increase in water consumption. To meet the expected demand and foster water independence, the Department is evaluating storage and supply options, including conservation, desalinization, groundwater, water transfers and reclaimed water.

The Water Department is continuing efforts to ensure a secure supply to satisfy future water requirements for the City. The current Capital Improvements Program (CIP) will upgrade and expand the existing water delivery infrastructure, and the Long Range Water Resources Plan will provide a guide for generalized strategic resource planning through 2030.

The City of San Diego Water Department has always been involved in water supply planning. This planning effort produced the Strategic Plan for Water Supply in 1997. The plan developed a comprehensive CIP that identified key investments in water treatment, storage and distribution and set goals for water conservation and reclamation to meet City water demands through 2015. The Water Department's Strategic Plan provides the flexibility to meet City water demands to the year 2030. The City Council's acceptance of the Long Range Water Resources Plan in Fall 2002 enabled the Department to continue to provide a reliable, safe water supply for the future.

Source Water Protection

Source water protection and watershed management are vital to preserving drinking water quality. The Department's Watershed GIS has mapped all nine watersheds and compiled an electronic

Future Outlook (continued)

archive/database of watershed characteristics. Currently, Source Water Protection Guidelines for New Development are being prepared which will establish design best management practices for new building projects in the areas upstream of the reservoirs. The Department is the lead agency in the Watershed Protection Initiative for the San Dieguito River Basin, funded by a Clean Water Act Section 205(j) grant. In addition, the Department is an active participant in other watershed management planning projects for the San Diego area and includes Watershed Urban Runoff Management Plans for four watersheds in the San Diego region. The Water Quality Laboratory has established 33 sampling sites on streams tributary to the reservoirs; these sites are routinely monitored for pollutants.

Storm Water Pollution Prevention Plan (SWPPP)

The plan requires contractors on Water Department projects to prevent pollutants from leaving project sites and entering into the storm drains. The Water Department will be preparing SWPPPs for all its facilities to help support the Mayor's Goal #4, Clean up our beaches and bays.

Water Rate Increase

In April 2002, the City Council approved five annual six percent rate increases effective July 1, 2002, for utility operations and maintenance and CIP. The Department spent approximately \$371 million to fund capital projects between fiscal years 1999 and 2002. The projected CIP costs for water system improvements are approximately \$511 million from fiscal year 2002 to 2007. This program provides \$882 million worth of improvements to water infrastructure and ensures the safety and reliability of the City's water service. The Water Department issued subordinated water revenue bonds totaling \$286.9 million in October 2002. Fitch Ratings assigned an A+ rating to the CIP Program's series 2002 bonds reflecting strong financial performance and liquidity levels. Additional rate increases and bond issuances will be required in the future to continue this work.

Water

Division/Major Program Descriptions

Administration

The Administration Division is comprised of three major programs: Department Management, Human Resources, and Business Operations. Each program provides a specialized service for the Water Department. Department Management directs and manages Department activities. Other responsibilities include, acting as a liaison with local, State, and federal agencies, and advising the City of San Diego and the City Manager on water supply and other related issues. The Human Resources program is comprised of three sections: Human Resources, Payroll Services, and Training. The Human Resources section provides assistance for services such as rewards and recognition programs, employee evaluation tracking, equal employment opportunity training, administration, and discipline. Payroll Services provides payroll processing for all Water Department employees. The Training section offers training to Department employees for safety, technical and legally mandated programs. The Business Operations program is comprised of two sections: Financial Services and Information Services (IS). Financial Services provides budget coordination, expenditure and revenue forecasts, periodic financial reports, special studies, contract and grant administration, and legislative analysis. IS administers the data processing budget and service level agreements between the Water Department and San Diego Data Processing Corporation. IS also performs long-range technology business planning and provides technical assistance for all information system users in the Water Department.

Capital Improvements Program Management

The Capital Improvements Program (CIP) Management Division oversees the project management, engineering, and other technical aspects of upgrading and expanding the City's water system. The Division is comprised of six sections: Division Management, Project Management-Water Treatment Plants, Project Management-North Section, Project Management-South Section, Special Projects, and Operations Liaison. Division Management provides direction and oversees Division activities; Project Management-Water Treatment Plants oversees improvements to the Miramar, Alvarado, and Otay water treatment plants; Project Management-North Section oversees water system improvements geographically located north of Interstate 8; Project Management - South Section oversees water system improvements geographically located south of Interstate 8; Operations Liaison provides the operational perspective on all capital projects as well as coordinates construction management for North and South Section projects. These efforts ensure timely and cost effective upgrade and expansion of the water system conducted with sensitivity to the environment and the customer needs.

Customer Support

The Customer Support Division is comprised of six major sections: Division Management, Water Resources Management, Recycled Water Program, Customer Services Office, Field Services and Investigations, and Meter Services. Division Management directs and oversees the performance of the Division's sections. The Water Resources Management section develops and administers Citywide water conservation programs designed to promote permanent water savings. The Recycled Water

Division/Major Program Descriptions (continued)

Customer Support

Program administers the reclaimed water program including marketing and developing the use of reclaimed water in designated areas in the City. The Customer Services Office functions as a liaison between the Water Department and the City's customers for water and sewer services. The Field Services and Investigations section is the field liaison between the Water Department and the City's customers for water and sewer services. The Meter Services section is responsible for the accuracy, maintenance, installation, and replacement of water meters within the City of San Diego.

Water Operations

The Water Operations Division provides uninterrupted, continuous water service to the City of San Diego. The Division is comprised of eight major sections: Water Administration, Safety, Water Systems Engineering, Water Laboratory, Water Construction, Systems Operations, Lakes and Recreation Reservoir Management, and Stormwater/Watershed. Water Administration provides support to all sections within the Division. The Safety section manages the security of the water system, enforces compliance with environmental health regulations, and ensures a safe workplace for the department's employees. Water Systems Engineering duties include design, construction administration, project administration and inspection of the City's water supply. Additionally, this section manages funds used to import water from the County Water Authority, which supplements local water sources. The Water Laboratory is responsible for monitoring and reporting the bacterial and chemical quality of the City's drinking water. It performs extensive analyses, following all State and Federal mandates. The Water Construction section provides construction, maintenance and repair activities along with Emergency Services. System Operations coordinates all raw and treated water supplies. Raw water is chemically treated, filtered, and disinfected to produce clear, odorless potable water meeting all applicable health regulations. This section also operates and maintains water pump stations, reservoirs, water storage facilities, and major transmission pipelines. Lakes and Recreation Reservoir Management is responsible for water storage and recreation. This section utilizes the City's municipal water supply reservoirs for outdoor, water-based recreational activities which are compatible with safe, potable water. The Stormwater/Watershed section was added to oversee compliance with the regulations of San Diego Regional Water Quality Control Board's new Storm Water Permit.

Water Policy, CIP Finance and Planning

The Water Policy, CIP Finance and Planning Division oversees the overall program planning and finance aspects of the Department's Capital Improvements Program. The Division is comprised of eight major sections: Division Management, Planning and Project Development, Administration, Contract Procurement, Water Policy and Water Resources Planning, Water Research and Development, Environmental and Permits, and Public Information. Division Management provides direction and oversees division activities; Planning and Project Development conducts water modeling and planning studies to determine system deficiencies, identify and develop future projects for the next phase of the Capital Improvements Program. Administration manages the financial aspects of

Water

Division/Major Program Descriptions (continued)

Water Policy, CIP Finance and Planning

the capital program and provides general administrative and data systems support; Contract Procurement prepares, procures, and monitors agreements for all design, design-build, and specialty consultants required to implement the Capital Improvements Program. Water Policy and Water Resources Planning interacts with other agencies, tracks water policy issues and related legislation, and provides analysis of complex water resource issues to make recommendations that will better guide water policy outcomes set by the City's decision making bodies. Water Research and Development performs experiments using new technologies and determines applicability to the City's water treatment system. Environmental and Permits provides guidance and environmental review of projects and assists in securing necessary environmental permits for capital projects. Public Information provides information to target audiences and stakeholders and responds to requests for information with the Capital Improvements Program. All sections are critical for the development and execution of the Capital Improvements Program.

| Water | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 PROPOSED | FY 2003-2004 CHANGE |
| Positions | 851.74 | 855.74 | 859.74 | 4.00 |
| Personnel Expense | \$ 53,794,761 | \$ 52,142,071 | \$ 62,631,537 | \$ 10,489,466 |
| Non-Personnel Expense | \$ 328,103,959 | \$ 278,565,950 | \$ 314,666,576 | \$ 36,100,626 |
| TOTAL | \$ 381,898,720 | \$ 330,708,021 | \$ 377,298,113 | \$ 46,590,092 |

Department Staffing

| | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 PROPOSED |
|--|-------------------|-------------------|---------------------|
| WATER DEPARTMENT FUND | | | |
| Water Department | | | |
| Administration | 24.00 | 22.00 | 22.00 |
| Business Operations Section | 34.00 | 34.00 | 34.00 |
| Capital Improvement Projects | 27.00 | 27.00 | 27.00 |
| CIP Division Management | 1.00 | 1.00 | 1.00 |
| Contract Procurement | 6.00 | 7.00 | 7.00 |
| Customer Services Office | 57.00 | 58.00 | 57.00 |
| Customer Support Division Administration | 6.00 | 6.00 | 6.00 |
| Department Management | 2.74 | 2.74 | 2.74 |
| Division Management | 9.00 | 9.00 | 8.00 |
| Environmental Services | 3.00 | 3.00 | 3.00 |
| Field Services & Investigations | 50.00 | 47.00 | 48.00 |
| Human Resources | 29.50 | 29.50 | 32.50 |
| Lakes & Recreation/Reservoir Mgmt | 45.00 | 45.00 | 44.00 |
| Meter Services | 67.00 | 69.00 | 67.00 |
| Operations Liaison | 5.00 | 5.00 | 5.00 |
| Project Management Planning & Dev | 16.00 | 16.00 | 16.00 |
| Public Information | 4.50 | 4.50 | 4.50 |
| Recycled Water Program | 9.70 | 8.50 | 8.50 |
| Special Projects | 1.00 | 1.00 | 1.00 |
| Stormwater/Watershed | 0.00 | 0.00 | 4.00 |
| System Operations | 129.00 | 132.00 | 151.00 |
| Water Construction | 181.00 | 181.00 | 160.00 |
| Water Laboratory | 51.00 | 51.00 | 50.00 |
| Water Operations Administration | 23.00 | 23.00 | 23.00 |
| Water Policy & Water Resources Planning | 3.00 | 5.00 | 6.00 |
| Water Resources Management | 17.30 | 18.50 | 19.50 |
| Water System Engineering | 50.00 | 50.00 | 52.00 |
| Total | 851.74 | 855.74 | 859.74 |

Water

Department Expenditures

| | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 PROPOSED |
|--|-----------------------|-----------------------|-----------------------|
| WATER DEPARTMENT FUND | | | |
| Water | | | |
| Administration | \$ 27,463,924 | \$ 33,292,700 | \$ 38,721,589 |
| Business Operations Section | \$ 9,034,315 | \$ 11,744,333 | \$ 14,951,607 |
| Capital Improvement Projects | \$ 120,430,363 | \$ 63,606,782 | \$ 86,783,197 |
| CIP Division Management | \$ 468,152 | \$ 258,242 | \$ 357,614 |
| Contract Procurement | \$ 388,991 | \$ 567,983 | \$ 638,074 |
| Customer Services Office | \$ 3,962,281 | \$ 5,926,254 | \$ 6,311,556 |
| Customer Support Division Administration | \$ 862,682 | \$ 930,543 | \$ 704,233 |
| Department Management | \$ 858,133 | \$ 681,878 | \$ 714,433 |
| Division Management | \$ 1,636,379 | \$ 1,723,328 | \$ 2,674,781 |
| Enterprise Fund Management | \$ 10,941,189 | \$ 25,597,583 | \$ 27,320,849 |
| Environmental Services | \$ 152,755 | \$ 242,757 | \$ 260,699 |
| Field Services & Investigations | \$ 2,747,871 | \$ 2,971,147 | \$ 3,129,999 |
| Human Resources | \$ 2,228,941 | \$ 2,568,209 | \$ 2,774,220 |
| Lakes & Recreation/Reservoir Mgmt | \$ 4,062,989 | \$ 3,581,547 | \$ 5,533,208 |
| Meter Services | \$ 5,890,686 | \$ 5,233,730 | \$ 6,980,808 |
| Operations Liaison | \$ 1,497,187 | \$ 1,156,916 | \$ 1,231,549 |
| Proj Mgmt - Treatment Plants | \$ 161,004 | \$ 46,020 | \$ 99,024 |
| Project Management - North | \$ 247,835 | \$ 32,976 | \$ 33,231 |
| Project Management - South | \$ 245,633 | \$ 32,422 | \$ 72,698 |
| Project Management Planning & Dev | \$ 623,622 | \$ 1,544,103 | \$ 1,714,164 |
| Public Information | \$ 394,290 | \$ 401,809 | \$ 442,964 |
| Recycled Water Program | \$ 6,168,806 | \$ 757,466 | \$ 1,009,932 |
| Special Projects | \$ 69,132 | \$ 111,488 | \$ 120,981 |
| Stormwater/Watershed | \$ 521,530 | \$ 173,811 | \$ 548,934 |
| System Operations | \$ 14,704,915 | \$ 14,653,325 | \$ 17,972,645 |
| Water Construction | \$ 16,897,950 | \$ 13,353,537 | \$ 13,922,405 |
| Water Laboratory | \$ 4,957,886 | \$ 5,320,916 | \$ 5,567,758 |
| Water Operations Administration | \$ 18,223,965 | \$ 19,597,541 | \$ 18,599,937 |
| Water Policy & Water Resources Planning | \$ 995,353 | \$ 1,200,097 | \$ 1,362,081 |
| Water Resources Management | \$ 2,939,910 | \$ 3,213,670 | \$ 3,335,667 |
| Water System Engineering | \$ 122,120,050 | \$ 110,184,908 | \$ 113,407,276 |
| Total | \$ 381,898,720 | \$ 330,708,021 | \$ 377,298,113 |

Significant Budget Adjustments

WATER DEPARTMENT FUND

| Water Department | Positions | Cost |
|--|-----------|---------------|
| Capital Improvement Program Adjustment for funding municipal and reclaimed capital projects. | 0.00 | \$ 23,059,832 |
| Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2003 negotiated salary compensation schedule, Fiscal Year 2004 negotiated salaries and benefits, changes to average salaries, retirement contributions and other benefit compensation. | 0.00 | \$ 5,719,124 |
| Bond Debt Service Increase Debt service for existing bond debt. | 0.00 | \$ 5,424,258 |
| Water System Technician (WST) Series Salary adjustments associated with converting existing classifications to the WST classification series. This is the second year of a three year implementation program. The Mayor and City Council approved the conversion to a WST class series in Fiscal Year 2001, which will provide an effective and flexible workforce that will result in long term savings, avoided costs and improved water system reliability. | 0.00 | \$ 2,866,382 |
| Funding for Water Purchases Increase is in conformance with the Department's current Finance Plan and reflects purchases amounting to 94 percent of demand. | 0.00 | \$ 2,753,000 |
| Non-Discretionary Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent. | 0.00 | \$ 2,384,354 |
| Funding for Reservoir Concessions Funding support provided to the Park and Recreation Department for management of City reservoir concession operations. These additional costs are to be partially offset by new concession revenues. | 0.00 | \$ 1,787,675 |
| Operating Reserve The Operating Reserve is a budgeted amount which is calculated to provide for 45 days of operation in the event of major disruption to the Water Fund revenue stream as required by bond agreements. The reserve is budgeted at 12.5 percent of the Water Department operating budget, excluding monies for CIP projects, debt service payments and water purchases. | 0.00 | \$ 1,474,762 |

Water

Significant Budget Adjustments (continued)

WATER DEPARTMENT FUND

| Water Department | Positions | Cost |
|---|-----------|--------------|
| Funding for Security Measures Funding support for maintenance and repair of surveillance equipment, a 24-hour guard to monitor new security operation center, and continued security guard service at Water Department dams, water treatment plants, and operation yards. Additionally, security funding is required for upgrades to enclosed and non-enclosed pump stations, regulators, and the treated water reservoirs. | 0.00 | \$ 968,000 |
| Funding for Monthly Billing Support for the implementation of a monthly water and sewer billing system. Both the Water and Sewer Funds will be positively impacted in the near-term due to reduction in the time between consumption by the customers and the date of the billing for consumption. The new system will result in accelerated cash receipts during Fiscal Year 2004. | 0.00 | \$ 929,507 |
| Staffing and Support for Stormwater Program Addition of 4.00 positions and support costs to implement the Water Department's portion of the City's Jurisdictional Urban Runoff Management Program and protect source water (runoff) which drains to our reservoirs. This funding commitment is a less costly alternative than hiring consultants to perform these functions. | 4.00 | \$ 375,123 |
| Professional Engineer Pay Adjustment to reflect funding for the Professional Engineer Registration entitlement paid to all qualified engineers. | 0.00 | \$ 211,322 |
| Information Systems Analyst (ISA) III Swap Out Conversion of an Information Systems Technician to an Information Systems Analyst III. The position will perform as the lead project manager the for Local Area Network and Wide Area Network activities. | 0.00 | \$ 28,554 |
| Word Processering Operator and Senior Clerk Typist Swap Outs Transfer of staffing from Water Operations Division and Customer Support Division to Administration Division. Transferred positions were converted into 1.00 Word Processing Operator, and 2.00 Senior Clerk Typist positions. The 3.00 positions will provide support to the Human Resources section. | 0.00 | \$ (17,355) |
| Onetime Expenditure Removal Removal of Fiscal Year 2003 onetime funding for Downtown Day Care Center construction. | 0.00 | \$ (280,000) |

Significant Budget Adjustments (continued)

WATER DEPARTMENT FUND

| Water Department | Positions | Cost |
|--|-----------|--------------|
| Transfer of Support for the San Diego River Park Master Plan This adjustment for Fiscal Year 2004, reflects a reduction of \$50,000 and the transfer of the remaining \$250,000 in funding from the Operating budget to the Capital Improvements Program (CIP). Total funding from the Water Department amounts to \$550,000 and reflects continued support of the San Diego River Park Master Plan which will provide protection to the watershed and groundwater areas of San Diego. | 0.00 | \$ (300,000) |
| Support for Information Technology Funding has been reallocated according to a Citywide review of information technology budget requirements and priority analyses. | 0.00 | \$ (794,446) |

Expenditures by Category

| | | FY2002 ACTUAL | | FY2003 BUDGET | | FY2004 PROPOSED |
|-------------------------------|----|------------------|----|------------------|----|--------------------|
| PERSONNEL | | | | | | |
| Salaries & Wages | \$ | 41,138,282 | \$ | 39,280,917 | \$ | 45,328,805 |
| Fringe Benefits | \$ | 12,656,479 | \$ | 12,861,154 | \$ | 17,302,732 |
| SUBTOTAL PERSONNEL | \$ | 53,794,761 | \$ | 52,142,071 | \$ | 62,631,537 |
| NON-PERSONNEL | | | | | | |
| Supplies & Services | \$ | 311,487,685 | \$ | 252,985,595 | \$ | 287,818,336 |
| Information Technology | \$ | 7,317,800 | \$ | 13,887,552 | \$ | 16,178,682 |
| Energy/Utilities | \$ | 7,523,581 | \$ | 10,093,041 | \$ | 9,078,245 |
| Equipment Outlay | \$ | 1,774,892 | \$ | 1,599,762 | \$ | 1,591,313 |
| SUBTOTAL NON-PERSONNEL | \$ | 328,103,959 | \$ | 278,565,950 | \$ | 314,666,576 |
| TOTAL | \$ | 381,898,720 | \$ | 330,708,021 | \$ | 377,298,113 |

Water

Key Performance Measures

| | | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 PROPOSED |
|---|-----|-------------------|-------------------|---------------------|
| Average cost to negotiate and prepare agreements, amendments, and task orders | (1) | \$4,687 | \$12,085 | \$13,576 |
| Average cost to complete planning studies | (2) | \$22,902 | \$84,882 | \$94,358 |
| Average cost per water laboratory test | | \$61 | \$63 | \$66 |
| Average cost per meter read | | \$0.67 | \$0.68 | \$0.64 |
| Average cost per customer contact | (3) | \$3.53 | \$3.58 | \$4.00 |

(1) Costs increased due to the transfer of one Administrative Aide II position to the section and the addition of professional engineer pay added to the Fiscal Year 2004 proposed budget.

(2) Fiscal Year 2002 actuals reflect only salary expenses charged to the O&M fund, not the CIP fund. Cost increase is due to addition of professional engineer pay added to the Fiscal Year 2004 proposed budget.

(3) Figures do not include expenditures that support the Community Service Centers.

Salary Schedule

WATER DEPARTMENT FUND Water Department

| <i>Class</i> | <i>Position Title</i> | <i>FY 2003 Positions</i> | <i>FY 2004 Positions</i> | <i>Salary</i> | | <i>Total</i> |
|--------------|------------------------------------|------------------------------|------------------------------|---------------|--------|--------------|
| 1104 | Account Clerk | 6.00 | 6.00 | \$ | 32,826 | \$ 196,957 |
| 1105 | Administrative Aide I | 1.00 | 0.00 | \$ | - | \$ - |
| 1106 | Sr Management Analyst | 7.00 | 8.00 | \$ | 62,561 | \$ 500,489 |
| 1107 | Administrative Aide II | 11.00 | 11.00 | \$ | 44,197 | \$ 486,165 |
| 1136 | Asst Chemist | 16.00 | 16.00 | \$ | 56,850 | \$ 909,599 |
| 1153 | Asst Engineer-Civil | 31.00 | 32.00 | \$ | 60,046 | \$ 1,921,475 |
| 1160 | Asst Laboratory Technician | 1.00 | 0.00 | \$ | - | \$ - |
| 1193 | Asst Reservoir Keeper | 9.00 | 8.00 | \$ | 36,416 | \$ 291,324 |
| 1218 | Assoc Management Analyst | 24.00 | 24.00 | \$ | 55,514 | \$ 1,332,333 |
| 1220 | Assoc Chemist | 5.00 | 5.00 | \$ | 66,124 | \$ 330,620 |
| 1221 | Assoc Engineer-Civil | 30.00 | 32.00 | \$ | 70,525 | \$ 2,256,815 |
| 1223 | Assoc Engineer-Electrical | 1.00 | 1.00 | \$ | 70,866 | \$ 70,866 |
| 1225 | Assoc Engineer-Mechanical | 1.00 | 1.00 | \$ | 70,866 | \$ 70,866 |
| 1226 | Assoc Personnel Analyst | 2.00 | 2.00 | \$ | 59,627 | \$ 119,254 |
| 1227 | Assoc Planner | 2.00 | 2.00 | \$ | 54,828 | \$ 109,656 |
| 1235 | Multimedia Production Coordinator | 1.00 | 1.00 | \$ | 49,254 | \$ 49,254 |
| 1237 | Payroll Specialist I | 1.00 | 1.00 | \$ | 35,079 | \$ 35,079 |
| 1238 | Payroll Supv | 1.00 | 1.00 | \$ | 42,336 | \$ 42,336 |
| 1243 | Info Systems Administrator | 1.00 | 1.00 | \$ | 78,358 | \$ 78,358 |
| 1275 | Building Services Supv | 1.00 | 1.00 | \$ | 48,729 | \$ 48,729 |
| 1288 | Carpenter | 2.00 | 2.00 | \$ | 45,192 | \$ 90,383 |
| 1293 | Cement Finisher | 2.00 | 1.00 | \$ | 44,772 | \$ 44,772 |
| 1330 | Cashier | 5.00 | 4.00 | \$ | 31,281 | \$ 125,123 |
| 1348 | Info Systems Analyst II | 6.00 | 7.00 | \$ | 56,143 | \$ 392,999 |
| 1349 | Info Systems Analyst III | 2.00 | 3.00 | \$ | 62,954 | \$ 188,862 |
| 1356 | Code Compliance Officer | 4.00 | 4.00 | \$ | 38,721 | \$ 154,884 |
| 1357 | Code Compliance Supv | 1.00 | 1.00 | \$ | 45,218 | \$ 45,218 |
| 1369 | Water Distribution Operator | 0.00 | 6.00 | \$ | 43,007 | \$ 258,040 |
| 1370 | Water Distribution Operations Supv | 0.00 | 1.00 | \$ | 52,124 | \$ 52,124 |
| 1393 | Customer Services Supv | 2.00 | 2.00 | \$ | 58,029 | \$ 116,057 |
| 1394 | Customer Services Representative | 39.00 | 38.00 | \$ | 33,560 | \$ 1,275,271 |
| 1398 | Ranger/Diver I | 4.00 | 4.00 | \$ | 44,642 | \$ 178,566 |
| 1399 | Ranger/Diver II | 2.00 | 2.00 | \$ | 49,618 | \$ 99,236 |
| 1400 | Ranger/Diver Supv | 1.00 | 1.00 | \$ | 57,216 | \$ 57,216 |
| 1401 | Info Systems Technician | 7.00 | 6.00 | \$ | 43,594 | \$ 261,563 |
| 1423 | Sr Drafting Aide | 9.00 | 9.00 | \$ | 46,528 | \$ 418,750 |
| 1428 | Electrician | 1.00 | 0.00 | \$ | - | \$ - |

Water

Salary Schedule (continued)

WATER DEPARTMENT FUND

Water Department

| <i>Class</i> | <i>Position Title</i> | <i>FY 2003 Positions</i> | <i>FY 2004 Positions</i> | <i>Salary</i> | | <i>Total</i> |
|--------------|-----------------------------------|------------------------------|------------------------------|---------------|--------|--------------|
| 1436 | Equipment Technician I | 38.00 | 39.00 | \$ | 37,175 | \$ 1,449,826 |
| 1437 | Equipment Mechanic | 1.00 | 1.00 | \$ | 46,084 | \$ 46,084 |
| 1438 | Equipment Technician II | 22.00 | 22.00 | \$ | 41,498 | \$ 912,953 |
| 1440 | Equipment Operator II | 14.00 | 14.00 | \$ | 43,568 | \$ 609,947 |
| 1441 | Equipment Technician III | 1.00 | 1.00 | \$ | 45,353 | \$ 45,353 |
| 1443 | Electronics Technician | 1.00 | 1.00 | \$ | 47,372 | \$ 47,372 |
| 1445 | Equipment Operator III | 1.00 | 1.00 | \$ | 45,480 | \$ 45,480 |
| 1465 | Field Representative | 20.00 | 21.00 | \$ | 34,267 | \$ 719,609 |
| 1468 | Grounds Maintenance Worker II | 2.00 | 0.00 | \$ | - | \$ - |
| 1488 | General Water Utility Supv | 1.00 | 1.00 | \$ | 60,622 | \$ 60,622 |
| 1512 | Heavy Truck Driver II | 2.00 | 2.00 | \$ | 39,429 | \$ 78,858 |
| 1520 | Hydrography Aide | 1.00 | 1.00 | \$ | 39,323 | \$ 39,323 |
| 1522 | Instrumentation & Control Supv | 1.00 | 1.00 | \$ | 60,098 | \$ 60,098 |
| 1523 | Instrumentation & Control Tech | 8.00 | 7.00 | \$ | 52,282 | \$ 365,974 |
| 1535 | Clerical Assistant II | 9.50 | 9.00 | \$ | 30,468 | \$ 274,211 |
| 1556 | Recycling Program Manager | 1.00 | 1.00 | \$ | 81,817 | \$ 81,817 |
| 1560 | Lake Aide II | 15.00 | 14.00 | \$ | 27,691 | \$ 387,679 |
| 1575 | Data Entry Operator | 1.00 | 1.00 | \$ | 33,167 | \$ 33,167 |
| 1580 | Laboratory Technician | 10.00 | 10.00 | \$ | 41,917 | \$ 419,170 |
| 1599 | Lakes Program Manager | 1.00 | 1.00 | \$ | 78,333 | \$ 78,333 |
| 1612 | Org Effectiveness Specialist III | 1.00 | 1.00 | \$ | 62,430 | \$ 62,430 |
| 1614 | Org Effectiveness Specialist II | 2.00 | 2.00 | \$ | 56,090 | \$ 112,180 |
| 1615 | Org Effectiveness Supv | 1.00 | 1.00 | \$ | 67,958 | \$ 67,958 |
| 1620 | Meter Reader | 17.00 | 17.00 | \$ | 30,468 | \$ 517,963 |
| 1622 | Biologist III | 5.00 | 5.00 | \$ | 65,233 | \$ 326,166 |
| 1624 | Biologist II | 8.00 | 9.00 | \$ | 53,549 | \$ 481,941 |
| 1648 | Payroll Specialist II | 6.00 | 6.00 | \$ | 36,573 | \$ 219,435 |
| 1650 | Sr Personnel Analyst | 1.00 | 1.00 | \$ | 69,320 | \$ 69,320 |
| 1652 | Plant Technician I | 5.00 | 5.00 | \$ | 39,664 | \$ 198,319 |
| 1653 | Plant Technician II | 3.00 | 3.00 | \$ | 43,593 | \$ 130,779 |
| 1654 | Plant Technician III | 3.00 | 3.00 | \$ | 47,812 | \$ 143,436 |
| 1666 | Plant Process Control Electrician | 3.00 | 3.00 | \$ | 52,294 | \$ 156,881 |
| 1668 | Plant Process Control Supv | 1.00 | 1.00 | \$ | 58,055 | \$ 58,055 |
| 1669 | Plant Technician Supv | 3.00 | 3.00 | \$ | 55,330 | \$ 165,990 |
| 1725 | Principal Drafting Aide | 4.00 | 4.00 | \$ | 53,465 | \$ 213,859 |
| 1727 | Principal Engineering Aide | 10.00 | 10.00 | \$ | 52,762 | \$ 527,622 |
| 1734 | Principal Water Utility Supv | 5.00 | 5.00 | \$ | 55,331 | \$ 276,654 |

Salary Schedule (continued)

WATER DEPARTMENT FUND

Water Department

| <i>Class</i> | <i>Position Title</i> | <i>FY 2003 Positions</i> | <i>FY 2004 Positions</i> | <i>Salary</i> | | <i>Total</i> |
|--------------|---------------------------------|------------------------------|------------------------------|---------------|--------|--------------|
| 1746 | Word Processing Operator | 25.00 | 28.50 | \$ | 33,015 | \$ 940,934 |
| 1752 | Project Officer II | 1.00 | 1.00 | \$ | 81,477 | \$ 81,477 |
| 1776 | Public Information Clerk | 4.00 | 4.00 | \$ | 33,062 | \$ 132,248 |
| 1777 | Public Info Officer | 4.50 | 4.50 | \$ | 46,423 | \$ 208,902 |
| 1798 | Golf Course Manager | 1.00 | 1.00 | \$ | 61,121 | \$ 61,121 |
| 1804 | Sr Biologist | 1.00 | 1.00 | \$ | 76,184 | \$ 76,184 |
| 1816 | Claims & Insurance Manager | 2.00 | 2.00 | \$ | 76,105 | \$ 152,210 |
| 1817 | Reservoir Keeper | 8.00 | 9.00 | \$ | 42,127 | \$ 379,141 |
| 1825 | Safety Representative I | 1.00 | 1.00 | \$ | 44,458 | \$ 44,458 |
| 1826 | Safety Representative II | 2.00 | 2.00 | \$ | 53,340 | \$ 106,679 |
| 1844 | Sr Account Clerk | 1.00 | 1.00 | \$ | 38,197 | \$ 38,197 |
| 1854 | Sr Chemist | 1.00 | 1.00 | \$ | 76,184 | \$ 76,184 |
| 1855 | Sr Civil Engineer | 9.00 | 10.00 | \$ | 81,581 | \$ 815,810 |
| 1860 | Sr Customer Services Rep | 6.00 | 6.00 | \$ | 39,404 | \$ 236,421 |
| 1861 | Sr Engineering Aide | 11.00 | 11.00 | \$ | 45,192 | \$ 497,107 |
| 1863 | Sr Electrical Engineer | 1.00 | 1.00 | \$ | 81,791 | \$ 81,791 |
| 1869 | Sr Meter Reader | 1.00 | 1.00 | \$ | 33,717 | \$ 33,717 |
| 1870 | Senior Water Utility Supv | 18.00 | 18.00 | \$ | 49,194 | \$ 885,492 |
| 1872 | Sr Planner | 2.00 | 2.00 | \$ | 66,738 | \$ 133,476 |
| 1876 | Executive Secretary | 1.37 | 1.37 | \$ | 46,240 | \$ 63,349 |
| 1879 | Sr Clerk/Typist | 3.00 | 4.00 | \$ | 38,040 | \$ 152,159 |
| 1884 | Water Production Superintendent | 1.00 | 1.00 | \$ | 86,925 | \$ 86,925 |
| 1899 | Stock Clerk | 1.00 | 1.00 | \$ | 30,730 | \$ 30,730 |
| 1902 | Storekeeper I | 2.00 | 2.00 | \$ | 35,786 | \$ 71,572 |
| 1917 | Supv Management Analyst | 5.00 | 5.00 | \$ | 71,076 | \$ 355,379 |
| 1921 | Supv Field Representative | 2.00 | 2.00 | \$ | 36,441 | \$ 72,882 |
| 1925 | Supv Meter Reader | 1.00 | 1.00 | \$ | 39,402 | \$ 39,402 |
| 1926 | Info Systems Analyst IV | 2.00 | 2.00 | \$ | 70,002 | \$ 140,003 |
| 1927 | Supv Personnel Analyst | 1.00 | 1.00 | \$ | 78,333 | \$ 78,333 |
| 1940 | Supv Public Info Officer | 3.00 | 3.00 | \$ | 63,190 | \$ 189,570 |
| 1946 | Tank Service Technician I | 8.00 | 7.00 | \$ | 33,508 | \$ 234,553 |
| 1947 | Tank Service Technician II | 2.00 | 3.00 | \$ | 36,144 | \$ 108,432 |
| 1971 | Training Supv | 1.00 | 1.00 | \$ | 58,363 | \$ 58,363 |
| 1972 | Safety & Training Manager | 2.00 | 2.00 | \$ | 71,232 | \$ 142,464 |
| 1974 | Utility Supv | 1.00 | 1.00 | \$ | 45,794 | \$ 45,794 |
| 1978 | Utility Worker I | 112.00 | 108.00 | \$ | 31,988 | \$ 3,454,700 |
| 1985 | Welder | 4.00 | 3.00 | \$ | 46,397 | \$ 139,190 |

Water

Salary Schedule (continued)

WATER DEPARTMENT FUND

Water Department

| <i>Class</i> | <i>Position Title</i> | <i>FY 2003 Positions</i> | <i>FY 2004 Positions</i> | <i>Salary</i> | | <i>Total</i> |
|--------------------|---------------------------|------------------------------|------------------------------|---------------|---------|----------------------|
| 1986 | Water Operations Supv | 3.00 | 3.00 | \$ | 64,866 | \$ 194,598 |
| 1987 | Sr Water Operations Supv | 4.00 | 4.00 | \$ | 75,320 | \$ 301,280 |
| 1988 | Water Plant Operator | 17.00 | 17.00 | \$ | 59,170 | \$ 1,005,887 |
| 1991 | Water Utility Supv | 27.00 | 27.00 | \$ | 44,746 | \$ 1,208,149 |
| 1992 | Water Utility Worker | 73.00 | 71.00 | \$ | 34,581 | \$ 2,455,279 |
| 2153 | Deputy City Manager | 0.37 | 0.37 | \$ | 171,146 | \$ 63,324 |
| 2194 | Water Department Director | 1.00 | 1.00 | \$ | 131,631 | \$ 131,631 |
| 2214 | Deputy Director | 4.00 | 4.00 | \$ | 110,025 | \$ 440,101 |
| 2250 | Asst Deputy Director | 2.00 | 2.00 | \$ | 99,348 | \$ 198,696 |
| 2270 | Program Manager | 5.00 | 6.00 | \$ | 92,055 | \$ 552,328 |
| | Bilingual - Regular | 0.00 | 0.00 | - | \$ | 8,391 |
| | Confined Space Pay | 0.00 | 0.00 | - | \$ | 167,681 |
| | Emergency Medical Tech | 0.00 | 0.00 | - | \$ | 23,019 |
| | Ex Perf Pay-Classified | 0.00 | 0.00 | - | \$ | 50,136 |
| | Ex Perf Pay-Unclassified | 0.00 | 0.00 | - | \$ | 3,030 |
| | Overtime Budgeted | 0.00 | 0.00 | - | \$ | 1,098,139 |
| | Reg Pay For Engineers | 0.00 | 0.00 | - | \$ | 354,973 |
| | Standby Pay | 0.00 | 0.00 | - | \$ | 87,550 |
| | Tech Cert Pay | 0.00 | 0.00 | - | \$ | 210 |
| | Temp CIP City Force Wages | 0.00 | 0.00 | - | \$ | 1,140,122 |
| | Temporary Help | 0.00 | 0.00 | - | \$ | 3,304,829 |
| | Total | 855.74 | 859.74 | | | \$ 45,328,805 |
| WATER TOTAL | | 855.74 | 859.74 | | | \$ 45,328,805 |

Five-Year Expenditure Forecast

| | FY 2004 PROPOSED | FY 2005 FORECAST | FY 2006 FORECAST | FY 2007 FORECAST | FY 2008 FORECAST |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Positions | 859.74 | 859.74 | 859.74 | 859.74 | 859.74 |
| Personnel Expense | \$ 62,631,537 | \$ 64,510,483 | \$ 66,445,797 | \$ 68,439,171 | \$ 70,492,346 |
| Non-Personnel Expense | \$ 314,666,576 | \$ 336,184,190 | \$ 367,695,076 | \$ 359,859,801 | \$ 397,585,763 |
| TOTAL EXPENDITURES | \$ 377,298,113 | \$ 400,694,673 | \$ 434,140,873 | \$ 428,298,972 | \$ 468,078,109 |

Water

Fiscal Year 2005

Note: Fiscal Year 2004 Budget totals include positions (27.00) and monies (\$86,783,197) allocated to the Capital Improvements Program as well as funding for Bond Debt (\$34,861,258) and 45 Day Operating Reserve (\$16,026,789). Totals do not include \$550,000 associated with the San Diego River Park Project which is budgeted in the Park and Recreation Department.

Net increase of \$7,315,117 in funding for water purchases (commodity and non-commodity). This increase will maintain funding levels for the water purchase budget at 94% of demand.

Net increase of \$691,000 in funding for debt service related to the continuation of the Capital Improvements Program.

Net increase of \$4,071,500 in funding for the Capital Improvements Program.

Fiscal Year 2006

Net increase of \$1,701,987 in funding for water purchases (commodity and non-commodity). This increase will maintain funding levels for the water purchase budget at 94% of demand.

Net increase of \$8,787,000 in funding for debt service related to the continuation of the Capital Improvements Program.

Net increase of \$12,936,373 in funding for the Capital Improvements Program.

Reduction of \$2,000,000 in funding which was required in Fiscal Year 2004 and Fiscal Year 2005 associated with the Citywide Financial Accounting System.

Fiscal Year 2007

Net increase of \$1,735,720 in funding for water purchases (commodity and non-commodity). This increase will maintain funding levels for the water purchase budget at 94% of demand.

Net increase of \$4,522,000 in funding for debt service related to the continuation of the Capital Improvements Program.

Water

Five-Year Expenditure Forecast (continued)

| | Water |
|-------------------------|--|
| Fiscal Year 2007 | Net reduction of \$25,123,847 in funding for the Capital Improvements Program. |
| Fiscal Year 2008 | <p>Net increase of \$1,770,998 in funding for water purchases (commodity and non-commodity). This increase will maintain funding levels for the water purchase budget at 94% of demand.</p> <p>Net increase of \$1,679,000 in funding for debt service related to the continuation of the Capital Improvements Program.</p> <p>Net increase of \$23,480,170 in funding for the Capital Improvements Program.</p> |

Revenue and Expense Statement

WATER DEPARTMENT FUND 41500

| | FY 2002 ACTUAL | FY 2003 ESTIMATED | FY 2004 PROPOSED |
|---|-------------------------------|-----------------------|-----------------------|
| BEGINNING BALANCE AND RESERVE | | | |
| Balance from Prior Year | \$ 52,167,042 | \$ 39,615,525 | \$ 37,480,807 |
| Prior Year Balance Adjustment | \$ 33,575,448 | \$ - | \$ - |
| Prior Year Continuing Appropriations | \$ 124,533,110 | \$ 96,554,647 | \$ - |
| Prior Year Encumbrances Cancelled | \$ 1,924,005 | \$ 3,500,000 | \$ 2,500,000 |
| Reserve Balance | \$ 58,974,000 | \$ 57,584,150 | \$ 50,477,577 |
| TOTAL BALANCE | \$ 271,173,605 | \$ 197,254,322 | \$ 90,458,384 |
| REVENUE | | | |
| Capacity Charges | \$ 22,249,985 | \$ 16,901,900 | \$ 17,243,318 |
| Change in Anticipated Contributions | \$ (699,017) | \$ (1,022,131) | \$ (1,261,768) |
| Change in Anticipated Financing Proceeds | \$ (57,538,888) | \$ (4,672,019) | \$ - |
| Contributions in Aid | \$ 120,497 | \$ 539,365 | \$ - |
| Damages Recovered | \$ 325,170 | \$ 235,400 | \$ 277,700 |
| Financing Proceeds | \$ 101,608,025 | \$ 80,000,000 | \$ 78,326,200 |
| Grant Receipts | \$ 2,543,939 | \$ 833,400 | \$ 7,303,343 |
| Interest Earnings | \$ 10,621,745 | \$ 9,740,200 | \$ 9,408,000 |
| Lakes Recreation | \$ 1,266,268 | \$ 1,191,580 | \$ 1,422,372 |
| Land and Building Rentals | \$ 3,628,261 | \$ 3,901,372 | \$ 3,742,850 |
| New Water Services | \$ 2,097,484 | \$ 1,989,958 | \$ 1,648,000 |
| Non-Operating Federal Grants | \$ 200,881 | \$ 312,021 | \$ 325,000 |
| Other Revenue | \$ 8,250,132 | \$ 1,698,490 | \$ 1,685,724 |
| Reclaimed Water | \$ 1,752,492 | \$ 2,255,136 | \$ 2,661,000 |
| Reimbursement from Capital Outlay Fund | \$ 1,012,976 | \$ 425,000 | \$ 114,700 |
| Sale of Discarded Materials | \$ 12,290 | \$ 14,900 | \$ 14,000 |
| Sale of Water | ⁽¹⁾ \$ 198,123,444 | \$ 208,658,000 | \$ 225,460,574 |
| Service Charges | \$ 493,441 | \$ 445,400 | \$ 453,423 |
| Service Rendered to Others | \$ 8,410,312 | \$ 7,944,849 | \$ 7,289,909 |
| TOTAL REVENUE | \$ 304,479,437 | \$ 331,392,821 | \$ 356,114,345 |
| TOTAL BALANCE AND REVENUE | \$ 575,653,042 | \$ 528,647,143 | \$ 446,572,729 |
| EXPENSE | | | |
| CAPITAL IMPROVEMENTS PROGRAM (CIP) | | | |
| CIP Expenditures/Budget | ⁽²⁾ \$ 120,430,363 | \$ 64,387,782 | \$ 87,333,197 |
| TOTAL CIP EXPENSE | \$ 120,430,363 | \$ 64,387,782 | \$ 87,333,197 |
| OPERATING EXPENSE | | | |
| Debt Service | \$ 21,929,811 | \$ 25,656,266 | \$ 34,861,258 |
| Department Expenditures/Encumbrances | \$ 118,297,712 | \$ 117,994,228 | \$ 125,685,840 |
| In-Lieu Taxes | \$ 1,039,222 | \$ 1,110,350 | \$ 1,143,144 |
| Infrastructure Access Charge | \$ 4,356,402 | \$ 4,412,784 | \$ 4,550,818 |
| Net Pension Obligation | \$ 396,729 | \$ - | \$ - |
| Readiness-To-Serve | \$ 3,280,492 | \$ 4,045,300 | \$ 4,779,374 |
| Transfers to Other Funds | \$ 4,113,134 | \$ 4,148,803 | \$ 4,492,029 |
| Unallocated Reserve | \$ - | \$ 1,650,000 | \$ 2,347,000 |
| Water Purchases | \$ 108,054,855 | \$ 94,687,067 | \$ 96,628,664 |

Water

Revenue and Expense Statement

WATER DEPARTMENT FUND 41500 (continued)

| | FY 2002 ACTUAL | FY 2003 ESTIMATED | FY 2004 PROPOSED |
|---|-----------------------|-----------------------|-----------------------|
| TOTAL OPERATING EXPENSE | \$ 261,468,357 | \$ 253,704,798 | \$ 274,488,127 |
| TOTAL EXPENSE | \$ 381,898,720 | \$ 318,092,580 | \$ 361,821,324 |
| RESERVE | | | |
| Capital Reserve | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 |
| Expenditures of Prior Year Enc. & Cont. Approp. | \$ - | \$ 96,554,647 | \$ - |
| Operating Reserve | \$ 14,421,150 | \$ 14,552,027 | \$ 16,026,789 |
| Phase Funded | \$ - | \$ 26,041,532 | \$ 37,246,156 |
| Rate Stabilization Fund | \$ 26,500,000 | \$ 20,500,000 | \$ 11,500,000 |
| Reserve for CIP Encumbrances | \$ 70,833,859 | \$ - | \$ - |
| Reserve for Continuing Appropriations | \$ 25,720,788 | \$ - | \$ - |
| Secondary Purchase Reserve | \$ 11,663,000 | \$ 10,425,550 | \$ 6,426,120 |
| TOTAL RESERVE | \$ 154,138,797 | \$ 173,073,756 | \$ 76,199,065 |
| TOTAL RESERVE | \$ 154,138,797 | \$ 173,073,756 | \$ 76,199,065 |
| BALANCE | \$ 39,615,525 | \$ 37,480,807 | \$ 8,552,340 |
| TOTAL EXPENSE, RESERVE AND BALANCE | \$ 575,653,042 | \$ 528,647,143 | \$ 446,572,729 |

(1) Sale of water reflects change from cash to accrual accounting.

(2) Budget totals include \$550,000 for the San Diego River Park Project budgeted in the Park and Recreation Department. Actual amount budgeted in the Water Department is \$86,783,197.